



Utah Labor Market Report

October 2002, Volume 12, Number 9

Current Indicators

Utah's unemployment rate for August registered 5.0 percent, essentially unchanged from the previous month and continuing a year-long trend of the rate hovering in the low to mid 5 percent range. Utah's job market is not very dynamic right now, so this stable unemployment rate is consistent with the market's inertia. Approximately 56,900 Utahns were unemployed in August 2002, a 17-percent increase from the 48,654 in August 2001, when the unemployment rate was 4.4 percent.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, continues to move downward. The number of Utah jobs in August is down 20,400 or 1.9 percent against August 2001. Some of the decrease is an anomaly in that we are beginning to make year-over comparisons against the Olympic buildup of a year ago. But that explains away only a small proportion of the additional decline. Its primary cause is rooted in the overall weakness of the United States economy. July's employment measurement has been revised downward from its preliminary -1.5 percent, now registering -1.6 percent.

Nationally, the unemployment rate for August 2002 registered 5.7 percent. This is a slight downward movement from the previous month. The number of persons unemployed was 8.1 million. U.S. nonfarm employment remains in negative territory. For August 2002, year-over, nonfarm employment is down by 0.9 percent. The nation's

employment situation has hovered right around this mark for the past several months.

After showing signs in June and July of possibly stabilizing or bottoming out, the Utah economic slide grew deeper in August. Year-over losses are now down 1.9 percent and the number of fewer jobs enlarged to 20,400. At this point in time, there needs to be positive movement in the national economic indicators to produce a positive movement for the near-term Utah economy. But those signs are not yet taking hold.

The economic excesses of the late 1990's produced a large amount of overcapacity — or in other words too much supply. The amount of over-supply is now being better understood, as financial statements and misstatements have come to light. Businesses had utilized cheap financing to expand their capacity in anticipation of the continued high growth rates of the 1990's. That growth has not materialized, but the expanded capacity has become reality. This excess capacity must now be absorbed or eliminated, a process that takes time. But the amount of overcapacity of the late 1990's is significant. Large reductions in a short period of time would be one way the market could eliminate this oversupply, but the actions of the federal government — lowering the federal funds rate, lowering taxes, and increasing spending — have forestalled that option. The federal actions are making the economy's needed cuts less severe, but it will drag the cuts over a longer period of time. The bottom line is

there are still more economic pressures to take capacity out of the system than there is the need to expand and develop more capacity. So the Utah economic downturn will probably continue throughout the rest of this year.

Industry-by-Industry

One factor supporting this conjecture is that the services division, the largest industry division and the one that will eventually lead an economic turnaround, has now slid onto the negative side of the ledger. The division still employs over 316,000 Utahns, but it's 0.2 percent decline in August means a loss of 600 positions. Hotels, computer and business services, and auto repair are all declining employment areas. Fortunately, the health care industry remains strong.

Construction continues its year-long slide. Employing around 69,700 workers, this is 6,600 fewer workers than measured in August 2001. This marks construction as the industry with the largest year-over decline in employment.

Manufacturing follows with a loss of 6,400 jobs, but the size of its year-over loss is actually a slight improvement over recent months. Nationally, the manufacturing industry slipped into a decline three years ago. It slumped long before any other industrial sector, meaning it's had more time to

"weed out" its level of overcapacity. There are national indicators lately suggesting that this industry is starting to see some improvement, but it's still too early to pronounce an end to its longstanding malaise.

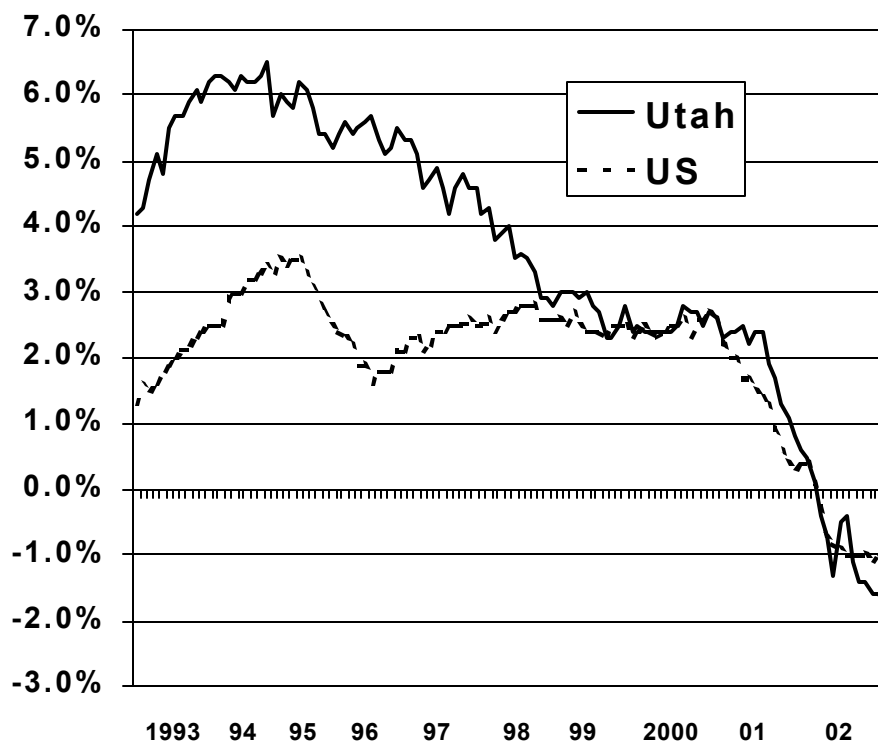
The industry conglomeration of transportation/communications/utilities (T.C.U.) remains on a weak footing, with employment levels down 4.4 percent year-over. The industry still has 58,200 jobs in Utah, but the trucking and communications industries are scaling back in response to oversupply in their industries.

The trade industry remains flat, with year-over employment falling by 5,000 workers, or 2.0 percent. The industry does employ 247,700 workers and is Utah's second largest employment division. Food stores, restaurants, department stores, and building and garden stores are all areas with fewer employees.

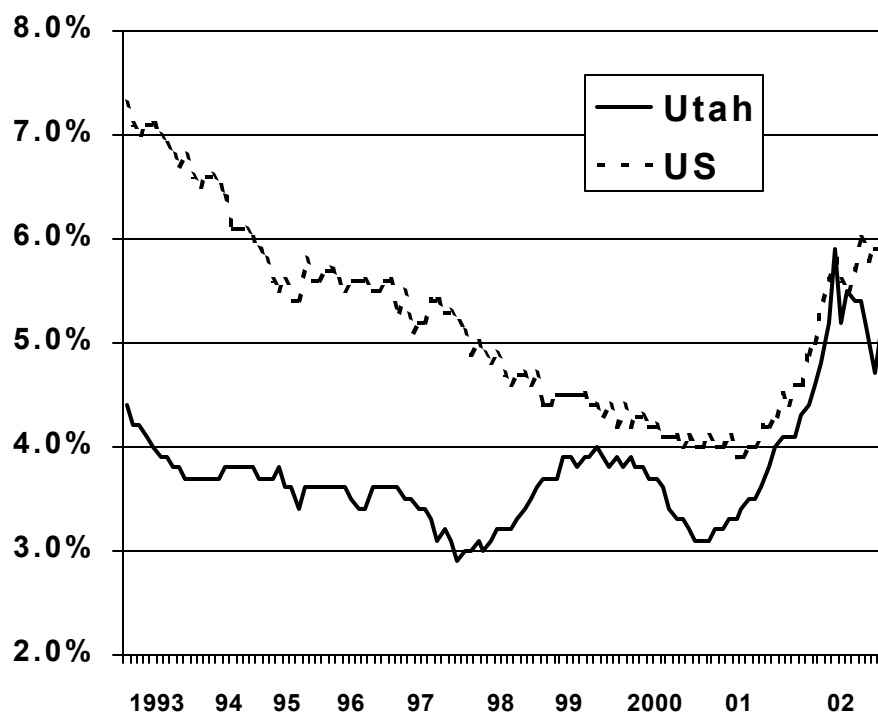
Government stands as the only industry adding jobs, with gains of 2,700 workers. The federal and local subdivisions are the points of increased employment, while state government employment is on the decline.

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Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates



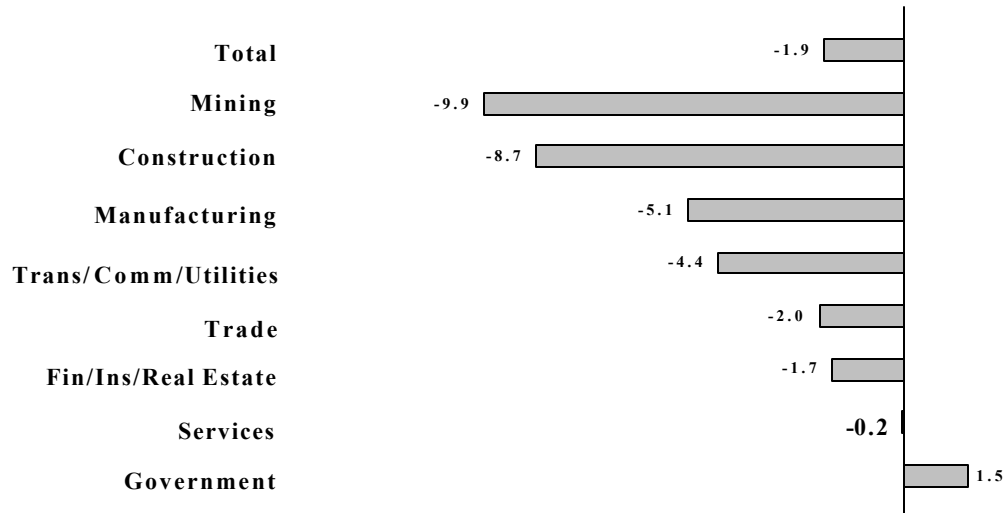
Utah Nonagricultural Jobs by Industry and Components of the Labor Force

Numbers are in thousands and are not seasonally adjusted.	August (f) 2002	August 2001	Percentage Change	July (r) 2002	July 2001	Percentage Change
CIVILIAN LABOR FORCE	1,153.8	1,126.1	2.5	1,157.4	1,128.9	2.5
Employed	1,092.3	1,072.5	1.8	1,094.7	1,077.1	1.6
Unemployed	61.5	53.6	14.7	62.6	51.9	20.6
Unemployment Rate	5.3	4.8		5.4	4.6	
NONAGRICULTURAL EMPLOYMENT	1,058.6	1,079.0	-1.9	1,056.0	1,073.6	-1.6
Mining	7.3	8.1	-9.9	7.3	7.9	-7.6
Metal Mining	1.8	2.0	-10.0	1.8	2.0	-10.0
Bituminous Coal Mining	1.4	1.5	-6.7	1.4	1.5	-6.7
Other Mining	4.1	4.6	-10.9	4.1	4.4	-6.8
Construction	69.7	76.3	-8.7	68.5	74.6	-8.2
Manufacturing	120.2	126.6	-5.1	119.9	126.8	-5.4
Durable Goods	79.8	83.7	-4.7	79.4	84.0	-5.5
Primary Metals	4.2	5.6	-25.0	4.2	5.6	-25.0
Fabricated Metals, Machinery, & Computers	18.6	20.9	-11.0	18.5	21.2	-12.7
Electrical/Electric Equipment (ex. Computers)	7.8	8.4	-7.1	7.8	8.6	-9.3
Transportation Equipment	12.7	13.9	-8.6	12.6	14.0	-10.0
Other Durable Goods	36.5	34.9	4.6	36.3	34.6	4.9
Non-durable Goods	40.4	42.9	-5.8	40.5	42.8	-5.4
Food & Kindred Products	12.7	13.1	-3.1	12.8	13.0	-1.5
Other Non-durable Goods	27.7	29.8	-7.0	27.7	29.8	-7.0
Transportation, Communication, & Utilities	58.2	60.9	-4.4	58.0	60.8	-4.6
Railroad Transportation	1.8	1.9	-5.3	1.8	1.9	-5.3
Trucking & Warehouse	19.4	20.7	-6.3	19.4	20.6	-5.8
Transportation by Air	15.1	15.1	0.0	15.1	15.2	-0.7
Other Transportation & Related Services	5.1	5.4	-5.6	5.0	5.4	-7.4
Communications	10.0	10.9	-8.3	9.9	10.8	-8.3
Electricity, Gas, & Sanitary Services	6.8	6.9	-1.4	6.8	6.9	-1.4
Trade	247.7	252.7	-2.0	246.2	251.5	-2.1
Wholesale Trade	50.3	51.1	-1.6	50.5	51.2	-1.4
Retail Trade	197.4	201.6	-2.1	195.7	200.3	-2.3
Food Stores	29.9	30.7	-2.6	29.8	30.8	-3.2
Auto Dealers/Parts Stores, & Gas Stations	24.6	23.7	3.8	24.4	23.5	3.8
Eating & Drinking Places	66.3	67.2	-1.3	65.7	66.5	-1.2
Home Furniture/Equipment & Clothing Stores	19.6	19.9	-1.5	19.4	19.6	-1.0
Gen. Merchandise, Building & Garden Supply	31.8	34.7	-8.4	31.5	34.7	-9.2
Miscellaneous Retail	25.2	25.4	-0.8	24.9	25.2	-1.2
Finance, Insurance, & Real Estate	59.5	60.5	-1.7	59.2	60.2	-1.7
Depository Institutions	16.9	17.5	-3.4	16.9	17.4	-2.9
Other Finance, Insurance, & Real Estate	42.6	43.0	-0.9	42.3	42.8	-1.2
Services	316.2	316.8	-0.2	317.0	314.9	0.7
Hotels & Other Lodging Places	18.3	19.4	-5.7	18.4	19.5	-5.6
Personal, Entertainment & Recreational	36.5	34.1	7.0	37.9	34.1	11.1
Computer-Related Business Services	24.9	26.9	-7.4	25.0	27.4	-8.8
Other Business Services	57.7	59.7	-3.4	57.1	58.2	-1.9
Auto Repair/Rental/Parking	11.1	11.8	-5.9	11.1	11.6	-4.3
Health Services	70.4	68.4	2.9	69.8	68.0	2.6
Education, Social, & Membership Organizations	54.1	53.0	2.1	54.4	52.5	3.6
Legal & Miscellaneous Services	6.3	6.4	-1.6	6.4	6.4	0.0
Engineering, Accounting & Management	25.6	25.1	2.0	25.6	25.0	2.4
Other Repair, Ag. Services, & Museums	11.3	12.0	-5.8	11.3	12.2	-7.4
Government	179.8	177.1	1.5	179.9	176.9	1.7
Federal Government	35.2	34.6	1.7	35.4	35.1	0.9
U.S. Defense	14.6	14.2	2.8	14.6	14.0	4.3
Other Federal	20.6	20.4	1.0	20.8	21.1	-1.4
State Government	56.3	56.7	-0.7	55.2	55.3	-0.2
State Schools	30.2	28.8	4.9	29.0	27.6	5.1
Other State	26.1	27.9	-6.5	26.2	27.7	-5.4
Local Government	88.3	85.8	2.9	89.3	86.5	3.2
Local Education	46.1	45.5	1.3	46.8	46.2	1.3
Other Local	42.2	40.3	4.7	42.5	40.3	5.5
Private Sector	878.8	901.9	-2.6	876.1	896.7	-2.3

Source: Utah Department of Workforce Services, Workforce Information; 9/5/02.

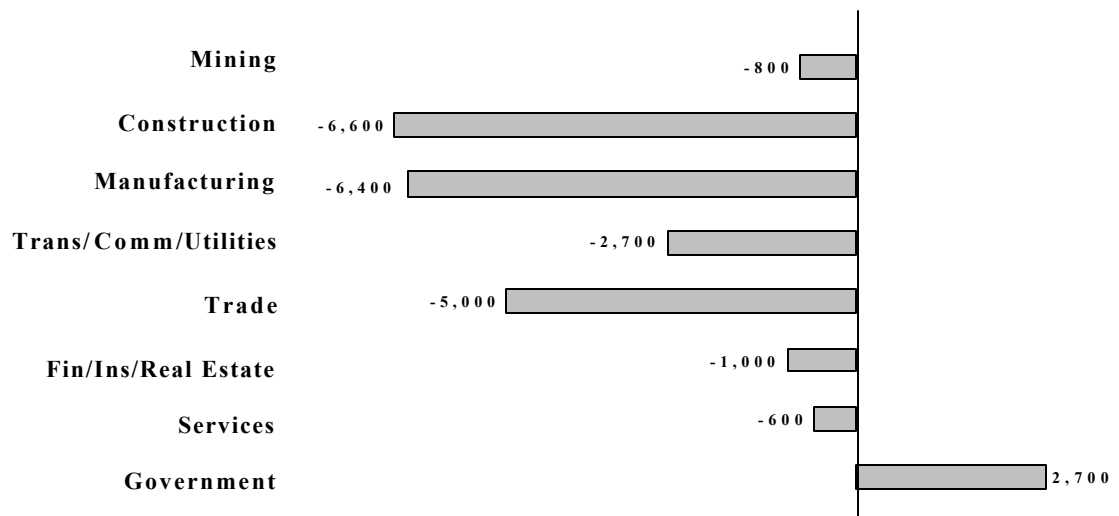
p = preliminary r = revised

Utah Nonfarm Job Growth (Percent Change) August 2001 – 2002



Source: Utah Department of Workforce Services

Utah Nonfarm Employment Changes August 2001 – 2002



Source: Utah Department of Workforce Services

HOURS AND EARNINGS - UTAH

Hours and Earnings for Production and Nonsupervisory Personnel

	Average Hourly Earnings				Average Weekly Hours				Average Weekly Earnings			
	August		% Chg.	July 2002(r)	August		% Chg.	July 2002(r)	August		% Chg.	July 2002(r)
	2002(p)	2001			2002(p)	2001			2002(p)	2001		
Mining	\$17.03	\$18.57	-8.3	\$16.66	49.9	43.4	15.0	50.8	\$849.80	\$805.94	5.4	\$846.33
Metal Mining	19.85	18.93	4.9	19.46	47.0	45.1	4.2	45.6	932.95	853.74	9.3	887.38
Manufacturing	14.06	14.05	0.1	14.46	38.6	39.2	-1.5	37.5	542.72	550.76	-1.5	542.25
Durable Goods	15.00	14.68	2.2	15.07	38.3	39.1	-2.0	37.4	574.50	573.99	0.1	563.62
Primary Metals	24.19	23.53	2.8	23.39	41.0	43.7	-6.2	41.8	991.79	1028.26	-3.5	977.70
Fabricated Metal Prod. & Mach.	15.04	15.27	-1.5	14.78	35.4	36.5	-3.0	34.8	532.42	557.36	-4.5	514.34
Transportation Equipment	18.68	17.47	6.9	18.47	40.2	40.1	43.1	42.2	750.94	700.55	7.2	779.43
Nondurable Goods	12.03	12.67	-5.1	13.11	39.4	39.4	0.0	37.7	473.98	499.20	-5.1	494.25
Food and Kindred Products	12.01	12.09	-0.7	12.64	41.5	41.2	0.7	38.4	498.42	498.11	0.1	485.38
Trade	11.53	10.91	5.7	11.64	30.3	30.4	-0.3	30.1	349.36	331.66	5.3	350.36
Wholesale	14.54	13.68	6.3	14.66	40.6	40.8	-0.5	40.9	590.32	558.14	5.8	599.59
Retail	10.54	10.00	5.4	10.61	28.0	28.1	-0.4	27.7	295.12	281.00	5.0	293.90
General Merchandise	10.38	9.95	4.3	10.40	28.9	29.7	-2.7	30.9	299.98	295.52	1.5	321.36
Food Stores	10.98	10.79	1.8	11.19	34.8	29.6	17.6	32.8	382.10	319.38	19.6	367.03

HOURS AND EARNINGS - Salt Lake City - Ogden MSA

	Average Hourly Earnings				Average Weekly Hours				Average Weekly Earnings			
	August		% Chg.	July 2002(r)	August		% Chg.	July 2002(r)	August		% Chg.	July 2002(r)
	2002(p)	2001			2002(p)	2001			2002(p)	2001		
Mining	\$20.59	\$19.00	8.4	\$19.22	45.5	42.6	6.8	44.2	\$936.85	\$809.40	15.7	\$849.52
Manufacturing	13.94	13.83	0.8	14.61	36.3	36.9	-1.6	35.4	506.02	510.33	-0.8	517.19
Durable Goods	14.87	13.74	8.2	14.60	35.6	35.9	-0.8	34.5	529.37	493.27	7.3	503.70
Nondurable Goods	11.92	14.03	-15.0	14.64	37.9	39.4	-3.8	37.4	451.77	552.78	-18.3	547.54
Trade	11.87	11.35	4.6	12.07	31.3	30.9	1.3	30.7	371.53	350.72	5.9	370.55
Wholesale	14.80	14.14	4.7	15.14	40.1	39.3	2.0	40.5	593.48	555.70	6.8	613.17
Retail	10.72	10.25	4.6	10.80	28.8	28.5	1.1	27.9	308.74	292.13	5.7	301.32

Source: Utah Department of Workforce Services, Workforce Information.

**NONAGRICULTURAL EMPLOYMENT BY INDUSTRY and COMPONENTS OF THE LABOR FORCE
OF UTAH'S METROPOLITAN AREAS**

Numbers are in thousands, <u>not seasonally adjusted.</u>	Salt Lake City - Ogden MSA			Provo - Orem MSA			Percent Change	July 2002(p)	June 2002(p)
	August 2002(p)	2001	Percent Change	August 2002(p)	2001	Percent Change			
Civilian Labor Force	736.1	718.9	2.4	741.2	736.1	1.9	175.2	175.8	
Employed	696.1	684.1	1.8	700.5	695.8	1.0	166.2	166.5	
Unemployed	40.0	34.7	15.3	10.6	40.3	23.9	8.9	9.3	
Unemployment Rate	5.4	4.8	--	5.5	5.5	--	5.1	5.3	
Total Nonagricultural Employment	706.2	718.6	-1.7	706.7	716.0	-2.2	147.1	150.3	
Mining	2.2	2.6	-15.4	2.3	2.3	0.0	0.1	0.1	
Construction	45.0	48.7	-7.6	44.4	43.9	-2.6	11.1	10.9	
Manufacturing	76.0	79.9	-4.9	76.0	76.4	-9.5	17.1	17.1	
Durable Goods	51.3	54.5	-5.9	51.3	51.7	-11.7	9.7	9.7	
Non-durable Goods	24.7	25.4	-2.8	24.7	24.7	-6.3	7.4	7.4	
Trans., Comm., & Utilities	45.7	47.8	-4.4	45.7	45.7	-3.8	2.5	2.5	
Trade	163.8	167.0	-1.9	163.6	164.4	-2.4	32.8	33.1	
Wholesale Trade	39.6	40.2	-1.5	39.6	39.4	-3.6	5.4	5.5	
Retail Trade	124.2	126.8	-2.1	124.0	125.0	-2.1	27.4	27.6	
Finance, Insur., & Real Estate	49.1	49.4	-0.6	49.0	49.1	2.0	5.1	5.0	
Services	207.7	208.2	-0.2	207.4	208.7	-0.3	59.7	59.7	
Government	116.7	115.0	1.5	118.3	125.5	-1.0	18.7	21.9	
Federal Government	28.7	27.5	4.4	28.7	28.4	-8.3	1.1	1.1	
State Government	39.5	39.7	-0.5	39.4	39.9	0.0	5.3	5.4	
Local Government	48.5	47.8	1.5	50.2	57.2	-0.8	12.3	15.4	
Private Sector	589.5	603.6	-2.3	588.4	590.5	-2.3	128.4	128.4	

Notes: The Salt Lake City-Ogden Metropolitan Statistical Area (MSA) is comprised of Salt Lake, Davis, and Weber counties.

The Provo-Orem MSA is Utah County.

Source: Utah Department of Workforce Services, Workforce Information, 09/27/02.

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	August 2002(p)	August 2001	Percent Change	July 2002(r)	June 2002(r)
State Total	1,058,600	1,078,889	-1.9	1,056,300	1,074,000
Bear River	57,261	59,206	-3.3	56,700	59,695
Box Elder	17,126	17,576	-2.6	17,040	17,177
Cache	39,346	40,855	-3.7	38,870	41,782
Rich	790	775	1.9	791	735
Wasatch Front	719,349	732,226	-1.8	719,886	729,137
North	178,415	178,115	0.2	178,584	179,508
Davis	90,845	89,673	1.3	90,921	90,962
Morgan	1,604	1,650	-2.8	1,582	1,630
Weber	85,966	86,792	-1.0	86,081	86,917
South	540,934	554,111	-2.4	541,302	549,629
Salt Lake	529,389	542,364	-2.4	529,698	538,121
Tooele	11,545	11,747	-1.7	11,604	11,507
Mountainland	167,923	171,366	-2.0	166,607	169,622
Summit	14,807	15,077	-1.8	14,535	14,238
Utah	148,100	151,430	-2.2	147,100	150,300
Wasatch	5,017	4,859	3.2	4,972	5,084
Central	20,966	21,613	-3.0	20,904	21,793
Juab	2,654	2,757	-3.7	2,650	2,647
Millard	3,385	3,373	0.4	3,457	3,612
Piute	245	287	-14.6	251	261
Sanpete	6,212	6,559	-5.3	6,122	6,748
Sevier	7,281	7,400	-1.6	7,221	7,352
Wayne	1,189	1,237	-3.9	1,202	1,174
Southwestern	57,565	57,916	-0.6	57,308	57,556
Beaver	1,890	1,887	0.2	1,894	1,961
Garfield	2,245	2,622	-14.4	2,223	2,215
Iron	13,782	13,756	0.2	13,746	13,631
Kane	2,743	3,213	-14.6	2,694	2,792
Washington	36,905	36,438	1.3	36,752	36,957
Uintah Basin	14,898	15,651	-4.8	14,643	15,474
Daggett	557	539	3.3	559	552
Duchesne	5,239	5,240	0.0	5,178	5,355
Uintah	9,102	9,872	-7.8	8,907	9,567
Southeastern	20,637	20,911	-1.3	20,251	20,723
Carbon	8,801	8,747	0.6	8,360	8,601
Emery	3,395	3,611	-6.0	3,361	3,356
Grand	4,588	4,726	-2.9	4,638	4,697
San Juan	3,853	3,827	0.7	3,892	4,070
Salt Lake-Ogden MSA	706,200	718,829	-1.8	706,700	716,000

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 09/27/02.

Seasonally Adjusted Unemployment Rates

	August 2002 (p)	July 2002 (r)	June 2002(r)	August 2001(r)
State Total	5.0	5.1	4.7	4.4
Bear River	4.2	4.2	4.0	3.9
Box Elder	5.4	5.7	5.3	5.7
Cache	3.7	3.7	3.4	3.3
Rich	3.8	4.0	4.7	2.8
Wasatch Front	5.1	5.3	5.0	4.5
North	4.3	4.7	4.6	4.2
Davis	3.9	4.1	4.0	3.8
Morgan	3.6	4.3	3.4	3.4
Weber	4.8	5.4	5.3	4.7
South	5.5	5.5	5.2	4.6
Salt Lake	5.4	5.4	5.2	4.5
Tooele	8.2	8.8	8.3	7.5
Mountainland	5.0	5.2	5.0	4.1
Summit	7.4	7.8	7.4	5.5
Utah	4.8	4.9	4.7	3.9
Wasatch	6.2	6.5	6.4	5.0
Central	5.2	5.6	4.8	4.8
Juab	6.7	6.6	6.4	4.9
Millard	4.1	4.9	3.8	4.0
Piute	6.9	8.2	7.5	7.4
Sanpete	5.8	6.2	4.9	5.5
Sevier	4.2	4.8	4.3	4.4
Wayne	5.2	5.6	4.9	4.4
Southwestern	4.0	4.1	3.9	4.0
Beaver	3.5	3.9	3.7	4.3
Garfield	10.4	11.7	12.6	8.6
Iron	4.0	4.2	4.0	4.8
Kane	3.9	3.6	3.6	2.9
Washington	3.6	3.7	3.4	3.5
Uintah Basin	6.3	6.5	5.4	5.0
Daggett	3.3	3.8	3.3	3.9
Duchesne	7.0	7.1	5.9	6.0
Uintah	6.0	6.3	5.2	4.5
Southeastern	6.5	7.0	6.1	7.4
Carbon	5.7	6.6	5.3	5.5
Emery	8.2	8.4	7.3	11.5
Grand	6.2	6.1	6.0	6.7
San Juan	7.0	7.6	6.9	8.6
Salt Lake-Ogden MSA	5.1	5.2	5.0	4.4
United States	5.7	5.9	5.9	4.9

p=preliminary r=revised

Source: Utah Department of Workforce Services, Workforce Information.